Infrastructure Funds

- SDC Capital Partners
  - Closed Digital Infrastructure Fund III with $1.5B AUM in March 2022 & previously closed $750m Fund II in May 2020 & $400m Fund I in 2018
  - Have invested in Aollo Communications, IQ Fiber, Bandwidth Infrastructure Group,
- DIF Capital Partners (15b euro AUM)
  - Target equity investments in small to mid size infrastructure assets in the telecom space
    - In January 2023 announced investing in a 1,500km fiber optic telecom business in Manitoba & Saskatchewan (RFNOW Inc)
    - April 2020 invested in Valley Fiber in Manitoba which brings fiber to the home ($328m CAD invested) (They did half roughly $168m)
    - November 2021 invested in Western Indiana & Eastern Illinois (Joink), enterprise and residential fiber (540 miles of fiber over 5 counties)
    - November 2022 invested in large scale fiber rollout in Germany, targeting 150k households and 1000km of fiber
    - August 2020 invested in fiber to the premises utility in UK
  - Has an office in Toronto
- CPP invests +$625m for 9.5% stake in V.Tal in Brazilian fiber to home network
- APG & Whitehelm Capital - Smart City Infrastructure Fund invests in Fiber City (SiFi Networks)
  - May 2020 - $450m investment
  - Rolling out in Fullerton California with the potential to serve 50,000 homes (with other projects in California, New York and East Hartford CT)
- HICL Infrastructure PLC (Infrared Capital Partners) – French company bought fiber company from DIF
  - InfraRed Capital Partners (“InfraRed“) is allocating $150m in capital to LiveOak Fiber, a new U.S.-based regional broadband services provider. (Georgia & Florida)
- Colliers, which owns Basalt Infrastructure Partners, has large infrastructure funds with investments in digital infrastructure and fiber

News headlines

- Fiber Valuations Skyrocket Amid Infra Fund Frenzy
  - By Chris Nolter Published: August 18th, 2022
  - Macquarie Infrastructure Partners, Blackstone Infrastructure Partners and Antin Infrastructure Partners SAS have joined traditional broadband investors such as Searchlight Capital Partners LP, Oak Hill Capital Partners LP and KKR & Co. (KKR).
- Fiber Broadband Enters Largest Investment Cycle Ever
  - January 5, 2022 BusinessWire
  - The increase in deployments can be attributed to the fact that fiber continues to score higher than any other broadband technology—such as cable, satellite or wireless—in terms of capacity, reliability, latency and customer satisfaction
- The success of 5G wireless will hinge on deep fiber – Deloitte
Appendix 2

Acquisition multiples

- 2021 Cable One buys Hargray Communications for $2.2B (17.2x EBITDA Multiple)
- KKR Buys 60% of Telefónica’s Colombia Fiber at $500m Valuation
  - July 2021
  - Overall, this unit generates ~$25m of EBITDA, implying a multiple of 20.0x EBITDA for the business.
  - KKR has been rapidly investing from its Global Infrastructure Investor’s funds into fiber operating companies and greenfield fiber deployments worldwide. Through KKR’s $7.4bn Global Infrastructure Investors III fund, the company has made fiber optic investments in HyperOptic in the UK, FiberCop in Italy, ON*NET Fibra in Chile, Open Dutch Fiber in the Netherlands, and MetroNet in the United States.
- Zayo Group Holdings, Inc. today announced it has entered into a definitive agreement to acquire Intelligent Fiber Network (IFN).
  - IFN, which provides fiber-based connectivity solutions to over 400 customers, operates a 5,000 route-mile network across multiple markets in Indiana, including Indianapolis, Fort Wayne, Columbus, Terre Haute and South Bend.
- EQT Infrastructure acquired fiber company for 1.7B EUR
  - It is important to note some of the significant transactions between fiber companies and infrastructure funds.
  - Nelnet sell 48% stake in Allo Fiber for $197m (October 2020) to SDC Capital Partners